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Sen. Cassis urges governor to sign tax-cut legislation

LANSING – Sen. Nancy Cassis, R-Novi, is urging the governor to sign a series of bills providing approximately \$600 million in tax relief to major job providers in Michigan.

“Unquestionably, this is round one, a vital first step to promote tax relief to the struggling manufacturing sector,” Cassis said. “Additional steps in the new year will focus on a comprehensive approach to promote Michigan’s overall economic competitiveness and well-being.”

Cassis’ portion of the package, Senate Bill 634, changes the sales tax apportionment factor from 90 percent to 95 percent over four years and will provide additional tax cuts totaling approximately \$75 million during those four years.

This will give a tax advantage to Michigan-based businesses who export goods as opposed to those who are based outside of Michigan but conduct business here.

Additionally, the legislation headed to the governor will:

- Create a 15-percent refundable personal property tax credit to reduce a firm’s Single Business Tax liability, effective Jan. 1, 2006.
- Establish a 100-percent new investment credit which will be given for personal property taxes paid on property directly related to jobs transferred to Michigan in 2007 and 2008. Transferred jobs are high technology or manufacturing jobs that were located in a different state or country before being moved to this state in the immediately preceding tax year. The updated version of the legislation approved today makes it easier for Michigan’s Big Three automakers to take advantage of the credit.
- Maintain Delphi’s and Visteon’s current tax status, protecting them from a massive tax hike at the end of 2005.

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